# Portland Parks and Recreation Park System Development Charge Taskforce

## **Meeting Summary**

April 11, 2013

#### Attending:

#### **Task Force Members**

Debbie Aiona, League of Women Voters
Laurie Butler, First American Title
Aubré Dickson, Community Member at Large
Kevin Johnson, Portland Development Commission
Jim Owens, Portland Parks Board
Jill Sherman, Developer at Large
Jim Sjulin, Community Member at Large
Keith Skille, Development Review Advisory Committee
Dennis Stoecklin, Concordia University
Christe White, University of Portland

#### Staff:

Warren Jimenez, Parks Assistant Director Maija Spencer, Parks SDC Program Specialist Riley Whitcomb, Parks SDC Program Manager

## **Consulting Team:**

Rita Brogan, PRR Shannon Roth, PRR Randy Young, Henderson, Young & Company

After an introduction of Taskforce members and a reminder from Rita Brogan on discussion ground rules and an agenda overview, Riley Whitcomb introduced Randy Young and his presentation. His slides are attached to this meeting summary. The following notes summarize the Taskforce discussion.

## **Updating Facts for Current Methodology:**

Randy Young provided an overview of the data that are being updated for current SDC methodology. He stressed that during this meeting, our purpose is to determine if the data make sense as a basis for the SDC calculations.

There are a few changes being proposed from the original methodology:

- Randy Young is recommending that population growth data be updated for a 25 year increment because Metro's best forecast is to the year 2035—the additional time horizon will not change the level of service or the cost/person.
- It may also be more appropriate to recalibrate some measurements—for example, in the 2008 update, the Department used acres as a measurement for trail land ownership, but it may be more appropriate to use at linear feet or miles as the unit of analysis.

- Q: What is the methodology of changing measure of trails to miles instead of acres? Does that impact the acres of central or non-central city?
- A: It will not impact the acres of central or non-central city acreage.
- He also noted that during the 2008 update some non-central park land was categorized incorrectly. Those lands are now categorized as Central City park land.
  - Q: How is it determined that a park is in central vs. non-central city? What are the boundaries?
  - A: Randy Young will look into this in more specific detail to the taskforce.
- It is also proposed that the formula for projected future acres needed for growth be adjusted slightly to accommodate a longer period of time.
  - Q: There is surprise that the ratio of numbers jumped as much as they did. Are the numbers actual level of service or the desired level of service?
  - A. The ratios increased because the City acquired parks at a slightly faster rate than the growth in population and employment. New development charges will not be used to reach a higher level of service than has been accomplished by the City. The SDC will not be increased to a "desired" level of service that is higher than the current level of service. SDCs are based on the current level of service.
  - Q: What is the source of the population growth information used?
  - A: The numbers come from Metro's TAZ (small area "traffic analysis zones") level. The converter is the "people per household." The dwelling units and population numbers come from the census. Forecasting population growth is a rigorous practice, yet only provides an estimate. SDCs are designed to be self-correcting through periodic updates that account for actual growth.
  - Q: What are the trends from previous SDC studies, and how are our numbers from previous studies/SDC research stacking up to actual growth?
  - A: Randy Young and Riley Whitcomb will look into this to pull statistical information and cross-comparison.
- It is proposed that the level of service for capacity per person be determined based on 2009 inventory and 2010 population. The current level of service is based on 2007 inventory.
   Population data and comparisons were provided on the number of acres available to the population.
  - Q: How does utilization fit into the statistics provided? What if people want *trails* but aren't getting those? How does the SDC work to address this?
  - A: The SDCs don't specifically address this, only on a macro level. Portland Parks has a separate system that determines usage of the funds the Parks 2020 Vision document. There is a planning, voting, and evaluation process that determines which kinds of parks and park systems are developed. The Vision Plan is at a more micro level and addresses specific park needs.

- Q: How does the current SDC compare to other infrastructure bureaus in the area? Since 2007, have there been any changes to state law in regard to SDC? Also, what about looking at the aging factor of the population?
- A: Comparisons will be provided at future meetings. There have been no changes to state law. The aging factor should be taken into account when figuring out the use of the facilities.
- Q: Regarding the cost data, a caution was voiced against using average numbers because there would be some outliers that need to be taken into account.
- A: It was noted that this is a good point and will be taken account.
- A comparison of costs per acre showed previous overall cost of land and improvements, and estimated expected costs for implemented improvements and new acquisitions moving forward.
  - Q: Are these numbers projecting through 2035?
  - A: The dollar amounts will be revised in yet another 5 years, so it does not need to project through 2035.
  - Q: What about purchasing land with partner agencies? How does this affect cost?
  - A: It was noted that the numbers take into account Pro Rata form.

#### Adjustments to Current Methodology ("Issues"):

Randy Young provided an overview on two special issues that are being evaluated for potential adjustments to the current SDC methodology. The special issues being analyzed include occupancy and SDC rates for college dorms, and occupancy and SDC rates for residential development.

## Occupancy and SDC Rates for College Dormitories

- Dormitory SDC is currently determined using same rate as single room occupancy calculations.
   There is concern that this SDC may overstate occupancy, placing a higher SDC burden on dormitories.
- Among the considerations for dormitory occupancy, data analyzed included number of days the dorms are occupied, number of students housed per dorm room, and campus areas available for recreation.
  - Q: If open spaces on campuses are accounted for, is it equitable to account for state parks and school grounds and other open spaces used by the general public?
  - A: Randy Young noted that this will be evaluated to consider an equitable approach.
  - Q: What subsidies does the city provide to the universities? What about tax revenues from the cities and if organized campus groups use public spaces? Are joint-use agreements there?
  - A: This question was noted.
- Randy Young explained that data was collected from five different colleges to compile an
  "average" for Portland area colleges. The average data presented shows that dorms are
  occupied 65% of the year, with a 1.75 per person occupancy rate.

The University of Portland representative explained why they specifically want to be involved in the SDC process. A concern was voiced regarding the presentation of data for an "average" college. There are differences between types of institutions — is "averaging" institutions applicable? For example, Portland State University looks a lot different than the University of Portland. Additionally, there is a competing policy in the City. One policy is to have as many students as possible live on campus, but then in 2008, the SDC change that was implemented included dorms, and previously they were not included. It's important to look at the two different policies. Additionally, because the University of Portland is on the river, they will be required to develop a public acreage.

Other taskforce comments were voiced to confirm that there are indeed differences between different types of institutions. Reed College and University of Portland vs. Portland State University. There are issues with different settings (urban universities vs. college campuses with lots of open space for development).

- Q: Can there be a college-based SDC developed, categorizing by type of campus?
- A: A separate SDC for each university is not possible. However, perhaps there can be a system developed that categorizes campuses, or by using an institutional plan in the same way that transportation SDCs are applied to colleges.

It was suggested that academic institutions develop their master plans differently than transportation organizations. It may not be realistic to really use that strategy.

#### Occupancy and SDC Rates for Residential Development

- Residential development SDC rates are currently determined based on number of persons per unit, with variations to this scale based on location: Central City and Non Central City. There is concern that this "one size fits all" approach may not reflect the occupancy differences based on the size of housing units.
- Considerations under review include reviewing the location of the housing (Central City vs. Non Central City), the square footage of residential dwellings, and the sources of the statistical data.
  - Q: There are some struggles with the differentiation between central and non-central city. If we are looking out to 2035, there is such little development potential left in central city.
  - A: Riley Whitcomb addressed why there is a differentiation between Central City vs. outside areas. In a previous SDC, there were 5 districts that were reviewed (Portland was split between five areas). The results showed that the central city had a lot of potential for growth.

A concern was noted that the central city is done growing, the potential for growth has been realized, and there is no further growth that will really occur. Both Riley Whitcomb and Randy Young responded that perhaps this is something that can be reviewed.

Mid-level housing in central city is difficult – It is either low-income or high-cost living spaces. There do seem to be people willing to live in smaller units.

- Q: The unit size issue is something that has been an ongoing issue. Can we project anything in relation to sizes that are smaller than 1000 square feet?
- A: Analyzing units less than 1000 square feet is not feasible with data that is available. However, the square footage option may start to address some of the issues seen with the low-income development.
- Q: What about garage spaces? Will they be included in the measurement for living space? Also, there have been issues seen in the permit office by trying to fit residential spaces into either single family vs. multi-family categories, perhaps the square footage determination will help in the permit process.
- A: Randy noted that this was an interesting question and would be taken into consideration.
- Considerations under review include reviewing the location of the housing (Central City vs. Non Central City), the square footage of residential dwellings, and the sources of the statistical data.
  - Q: Is there a danger to calculating based on individual circumstances? What if private multi-family developers start to say that Portland should consider their SDC more individual because they're putting in a playground on their development?
  - A: This question was noted.
  - Q: Is affordable housing affected?
  - A: No there is an exemption for low-income housing. Low-market housing is generally smaller in size.

It was noted that these kinds of development projects should not be de-incentivized (there should not be conflicting policies). Additionally, building in rates that are based on income levels could be considered. Riley Whitcomb noted that this would need to be considered city-wide, since Parks cannot be the first bureau to decide this type of rate system.

- Randy explained the data sources used to compile the residential occupancy figures. The
  population data for Central and Non Central City are collected from the Census and the data for
  type and size of residential buildings was obtained from the American Housing Survey.
  - Q: Is the source of information and methodology sound so that it is defensible?
  - A: Yes, it is sound and defensible. The AHS is a federal government organization that does regular surveys of small samples across the country.
- It was suggested by a Taskforce member that perhaps the best step for moving forward with determining appropriate methodology for residential occupancy is a two-step process:
  - (1) The numbers being presented today to determine square footage/occupancy does the group like the numbers?
  - (2) If yes, how does this play out against the current system? Once that is known, then the group can see how to best proceed.

Randy provided some closing remarks on the special issues being taken into consideration. The dorm rates and residential occupancy issues will be presented in white papers. The taskforce will be presented with these reports prior to the next meeting.

Riley Whitcomb thanked Task Force members and announced that the next meeting will be held on June 13, 2013 in the Lovejoy Room at 1:30 p.m. A meeting in late August or early September will also be scheduled at a later date.